

TARGET

Intelligence Report

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**ANALOGUE HOLDINGS LTD:
ONE HAS TO SPECULATE AS TO
HOW MANY INVESTORS, THAT BOUGHT
SHARES IN THIS COMPANY, RUE THEIR DECISIONS ?**

No doubt, when Analogue Holdings Ltd () released its Interim Results in respect of the six months, ended June 30, 2019, it must have come as somewhat of a shock to many investors – especially those who subscribed to some of the 350 million Offer Shares, contained in Global Offering of the Company, at the Share Price of \$HK1.20.

After all, how could they have imagined, on scanning the Global Offer Prospectus of the Company, dated June 28, 2019, that, in the first half of the Current Financial Year, things would be absolutely bleak.

At Page Two of the Interim Results, the Company reported the following:

Six Months, Ended June 30

2019

2018

(Denominated in \$HK'000)

Percentage Change

Revenue	2,079,310	3,144,120	(33.87)
Gross Profit	364,870	514,256	(39.05)
Net Profit	107,793	216,656	(50.25)

At Page 29 of Interim Results, under the heading, ‘**Outlook**’, Management made the following explanations, hoping that it would fall upon forgiving and compassionate ears, as an excuse for the Company’s poor financial results:

‘The trade conflicts between China and the United States of America has an adverse impact on the global economic performance and outlook and, inevitably, the economy in Hong Kong, Macau and mainland China, which are our three major business regions. Locally in Hong Kong, the social unrest which stemmed in early June and is still continuing as at the date of this announcement may have an impact on the award, commencement and progress of some construction and fitting out projects. According to the advance estimates on Gross Domestic Product for second quarter of 2019 released by the Census and Statistics Department (C&SD) on 31 July 2019, on a seasonally adjusted quarter-to-quarter comparison basis, GDP (Gross Domestic Product) decreased by 0.3% in real terms in the second quarter of 2019 when compared with the first quarter. Recently, the Secretary of Finance has pointed out that if our third quarter GDP continues to show a negative growth, technically speaking, the Hong Kong economy will be slipping into a period of recession. Amid the volatile economic atmosphere globally and locally, market competition has become increasingly fierce, exerting pressure on the Group’s profit margin.

‘On the other hand, the HKSAR Secretary for Development has advised that the Hong Kong Government’s spending in capital expenditure of public works will be no less than HK\$100 billion per annum in the coming few years, with overall construction outputs increasing to HK\$300 billion per annum. To Hong Kong construction and E&M companies, this is a particularly positive and reassuring message about the outlook of our industry.’

Ho-hum, any excuse is better than none.

The Initial Public Offering (IPO) of Analogue Holdings Ltd

On June 28, 2019, Senior Management of Analogue Holdings Ltd (Code 1977, Main Board, The Stock Exchange of Hongkong Ltd) launched a Global Offering of 350 million, one-cent Shares at the Offer Price Per Share of \$HK1.20.

Investors of the **Hongkong Special Administrative Region (HKSAR)** of the **People’s Republic of China**

(PRC) were Offered the opportunity to subscribe to 35 million Shares (the HKSAR Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors, and select, Well-Heeled Investors, along with any corporate entity in which equity control was deemed to be in the hands of the Well-Heeled Investors (the International Placing Offer Shares tranche) – were encouraged to subscribe to the remaining 315 million Shares via Share Placements.

Exactly, 13 days ... [CLICK TO ORDER FULL ARTICLE](#)

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